

PUBLIC DISCLOSURE

December 22, 2008

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Transportation Alliance Bank, Inc.
Certificate Number 34781**

**4185 Harrison Boulevard, Suite 200
Ogden, Utah 84403**

**Federal Deposit Insurance Corporation
25 Jessie Street at Ecker Square, Suite 2300
San Francisco, California 94105**

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

*This document is an evaluation of the CRA performance of **Transportation Alliance Bank, Inc. (TAB)** prepared by the **Federal Deposit Insurance Corporation**, the institution's supervisory agency, as of **December 22, 2008**. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 345.*

Examiners evaluated the bank's CRA performance using the Intermediate Small Bank (ISB) examination procedures, which became effective on September 1, 2005. This is the first evaluation of the bank using these procedures. An ISB is defined as an institution with assets of at least \$277 million and less than \$1.109 billion as of December 31st of either of the prior 2 calendar years. Using ISB procedures, the evaluation analyzed TAB's community development activities for loans, investments, and services.

This evaluation relied upon records and reports provided by the bank, publicly available loan and financial information, demographic data, and information gathered as part of the evaluation process, including information obtained from community contacts. A review of FDIC records, as well as the bank's CRA Public File, did not reveal any complaints relating to the bank's CRA performance since the previous evaluation.

Specialized terms used in this evaluation are defined in Appendix A and B.

INSTITUTION'S CRA RATING: This institution is rated Satisfactory.

TAB's overall CRA performance depicts a satisfactory practice of providing for the credit needs of its assessment area in a manner consistent with its product focus, resources, and capabilities. The following narrative regarding each test supports this rating:

The Lending Test is rated: Satisfactory.

- The geographic distribution of commercial loans reflects reasonable dispersion throughout the bank's assessment area.
- The average net loan-to-deposit (ANLTD) ratio is more than reasonable, given the bank's size, financial condition, and assessment area credit needs.
- An analysis of business loans using loan size proxy for revenue distribution, revealed a reasonable penetration of lending to businesses of different sizes.
- A majority of the bank's lending was outside of the designated assessment area and reflects the bank's nationwide lending program.
- No CRA related complaints were received during the evaluation period.

The Community Development Test is rated: Satisfactory.

Community development performance demonstrates adequate responsiveness to the community development needs of its assessment area through community development loans, qualified investments, and community development services. Highlights of the bank's performance are detailed below.

- Community development loans of \$1.7 million provided funding for 443 affordable multifamily housing units and 13 low- and moderate-income (LMI) families.
- Community development investments of \$6.4 million provided funding for 40 affordable multifamily housing units and 27 LMI families.
- Community development services included employee volunteer hours of 1,096 in qualified community development activities on behalf of the bank utilizing their financial expertise.

In addition, no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

SCOPE OF EVALUATION

This evaluation utilizes the Intermediate Small Institution examination procedures for the time period since the previous evaluation, conducted November 21, 2005, through the current evaluation as of December 22, 2008. Examiners evaluated the bank's CRA performance in the context of the following:

- The current economic environment,
- Demographic characteristics of its assessment area,
- Lending and community development opportunities within its assessment area,
- Institution financial resources and constraints,
- Institution product offerings and business strategy,
- Information derived from community contacts, and the
- Performance of similarly situated institutions, if any.

To assess the institution's performance with respect to the lending test, the following five performance criteria are analyzed:

- the bank's quarterly ANLTD ratio;
- the level of lending within its assessment area;
- the distribution of lending to businesses of different sizes and borrowers of different incomes;
- the geographic distribution of loans; and
- the bank's response to any consumer complaints regarding its CRA performance.

The community development test will receive the most weight in the overall CRA rating due to the limited volume of loans within the bank's assessment areas (14 percent by number and 38 percent by dollar volume).

The lending test focused on TAB's commercial lending (commercial real estate and commercial/industrial loans) as this product represents 97 percent of the bank's lending activities. The bank is not required to report or collect Home Mortgage Disclosure Act (HMDA) data. The 1 to 4 family residential and multi-family real estate loans listed in Table 1 are purchased loan pools for the purpose of community development investments and will be included in the community development analysis. As such, the residential real estate and multi-family lending will not be analyzed in the lending test of this CRA evaluation.

Additionally, operating leases in the amount of \$155 million are shown in Table 1, and were used to adjust the ANLTD ratios; however, the leases are not used in the lending test analysis.

Examiners based the analysis of commercial lending on data collected by the bank. The review period for the commercial loan analysis was January 1, 2008, through December 31, 2008. These loans were used to analyze the level of lending inside and outside of the assessment area and the geographic distribution of loans within the bank's assessment area.

D&B data as of June 30, 2008, is also shown for comparative purposes in the analyses of the geographic distribution of loans for the number of businesses located in the bank's assessment area. The D&B data is based on the geographic location, using 2000 U.S. Census boundaries, for the total number of businesses within the assessment area and the reported gross sales of those businesses.

To evaluate the bank's community development performance, all investments, loans, and services for the review period of November 21, 2005, through December 31, 2008, which met the CRA regulation's definition of community development purpose, were reviewed and included in this evaluation.

The analyses present in the Lending in the Assessment Area and Geographic Distribution reflects the number and dollar volume of loans originated by TAB. The analysis by number of loans carries more weight than the analysis by dollar volume since it indicates the institution's willingness to lend to more borrowers.

DESCRIPTION OF INSTITUTION

TAB is an industrial bank headquartered in a single location in Ogden, Utah. TAB is a nationwide lender marketing its products and services to the trucking industry and frequent traveler community. TAB's primary business is accounts receivable financing (factoring) and commercial credit cards designed and marketed towards the trucking industry. TAB also offers truck and trailer leasing targeted to small- and mid-size fleet motor carriers; truck and trailer purchase financing; working capital loans; and a small portfolio of consumer credit cards geared toward frequent highway travelers and recreational vehicle owners.

As of September 30, 2008, TAB had \$637 million in total assets, total deposits of \$537 million, total loans of \$336 million, total brokered deposits of \$218 million and total federal funds sold of \$89 million. The primary avenue to obtain a loan or open a deposit account is via phone, mail, or the internet. The main office is open Monday through Friday from 8:00 a.m. to 5:00 p.m. The bank is not designed to be a walk-in bank, but an employee is available in the lobby to accept deposits and open accounts. TAB's financial services include Automated Teller Machines (ATMs) located in select travel plaza locations nationwide. However, none of the ATMs accept deposits. The bank operated two branch offices during the evaluation period and closed both during 2008. These offices were located in the Lake Point and Ogden, Utah, Flying J Travel Plazas.

Table 1 depicts the bank's lending products as of September 30, 2008:

Table 1 - Composition of the Loan Portfolio as of September 30, 2008		
Loan Type	Dollar Amount (\$, 000s)	Percent of Total Loans (%)
1-4 Family Residential	1,808	1
Multifamily (5 or more) Residential	317	Nominal
Commercial Real Estate	21,343	6
Total Real Estate Loans	23,468	6
Commercial	309,867	92
Credit Cards	2,318	1
Other Consumer Loans	176	Nominal
All Other Loans	321	Nominal
Less: Unearned Income	0	0
Total Net Loans	336,150	100
Additional Loans	Dollar Amount (000s)	Percent of Total Net Loans (%)
Operating Leases (*)	154,800	46

Source: 9/30/2008 Consolidated Reports of Condition and Income (Call Report) * Operating Leases are classified as "Other Assets" in the Call Report.

The bank's ability to meet the credit needs of the communities it serves is not limited by its financial condition, size, or other legal impediments. The bank received an "Outstanding" rating at the November 21, 2005, evaluation of the bank's CRA performance, using Small Bank examination procedures.

DESCRIPTION OF ASSESSMENT AREA

TAB has designated three Metropolitan Statistical Areas (MSAs) as its assessment area; Salt Lake City MSA #41620, which includes Salt Lake, Summit, and Tooele Counties; Provo-Orem MSA #39340, which includes Utah and Juab Counties; and Ogden-Clearfield MSA #36260, which includes Davis, Morgan, and Weber Counties. The Ogden-Clearfield MSA and the Salt Lake City MSA are part of a larger Utah Combined Statistical Area (CSA) and will be evaluated together under a full review. The Provo-Orem MSA will be evaluated separately and under a limited review. The three MSAs are contiguous and have similar economies and make up a majority of the Wasatch Front. The bank's assessment area meets regulatory requirements and does not arbitrarily exclude any LMI neighborhoods.

The 2008 Housing and Urban Development (HUD) Adjusted Median Family Income (MFI) for the respective MSAs are as follows:

- Salt Lake MSA - \$65,300
- Provo-Orem MSA - \$60,000
- Ogden-Clearfield MSA - \$65,000

The assessment area makes up a majority of the Wasatch Front with 2.3 million residents in 2007. The area extends along the I-15 corridor from Logan in the north to Payson in the south, spanning 4 metropolitan areas and 2 micropolitan areas, which together contain 12 counties. The population is concentrated in Salt Lake, Utah, Davis, and Weber Counties, although most of the recent growth has occurred in Salt Lake and Utah Counties. It contains 83 percent of Utah's population and generates 86 percent of its gross state product.

TAB faces intense competition within its assessment area from 71 financial institutions for deposit market share. The 71 institutions operate 474 banking offices and hold approximately \$224 billion in deposits. According to the FDIC Summary of Deposits report dated June 30, 2008, TAB was ranked 29th with a 0.21 percent share of the market's deposits.

Demographics

The bank's assessment area contains 385 census tracts. Selected population and business demographics are detailed in Table 2.

Table 2 - Combined Demographic Information for the Assessment Area

Demographic Characteristics	Assessment Area #	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA**** % of #
Census Tracts*	385	4%	19%	49%	27%	.78%
Population by Geography*	1,788,288	3%	19%	51%	27%	.03%
Business by Geography **	189,362	6%	19%	45%	30%	.01%
Owner-Occupied Housing by Geography	396,419	1%	15%	55%	30%	.00%
Family Distribution by Income Tract Level ***	428,569	17%	20%	25%	38%	.00%

Sources: *2000 U.S. Census **2008 D&B as of June 30, 2008 ***2007 HUD updated MFIs **** The NA category consists of geographies that have not been assigned an income classification.

According to information obtained from D&B, 189,362 businesses are located in the bank's assessment area. Approximately, 62 percent of these businesses reported gross annual revenues of \$1 million or less.

Economic Information

Growth in the Wasatch Front has been strong, adding 780,000 residents since 1990. At year-end 2007, Utah's economy outperformed the nation for the fourth year in a row. As displayed in Table 3, the State of Utah has led the nation in employment growth, personal income growth, and population growth and had an unemployment rate among the lowest in the nation. Utah has also been a leader in housing price appreciation. Utah's economy is predicted to moderate in 2008, heading towards lower long-term average rates of growth. Economic expansion, job growth and housing starts have all slowed in 2008.

Table 3		
Comparative Employment Growth		
Year	USA	Utah
2005	1.8%	4.1%
2006	1.9%	4.6%
2007	1.1%	3.6%
3Q08	-0.1%	1.6%
Comparative Personal Income Growth		
Year	USA	Utah
2005	5.9%	10.5%
2006	6.6%	8.2%
2007	6.4%	9.3%
Comparative Population Growth		
Year	USA	Utah
2005	1%	2.8%
2006	1%	2.8%
2007	1%	2.5%
Comparative Unemployment Rate		
Year	USA	Utah
2005	5.1%	4.2%
2006	4.6%	3.0%
2007	4.6%	2.7%
3Q08	6.0%	3.6%

Source: FDIC regional economic conditions (RECON) and the 2008 Economic Report to the Governor, State of Utah

Small businesses make up most of the employer firms in the state, provide economic opportunities to diverse groups of people, and bring innovative products and services to the marketplace. Utah had 54,152 small employers (fewer than 500 employees) in 2005, representing 97 percent of the state's employers and 50 percent of its private sector employment. Small businesses created 86.5 percent of the state's net new jobs from 2004 to 2005.

Economic development opportunities in Utah continue to experience an unprecedented rate of growth and interest. In 2007, more than 200 individual firms were looking at the state for expansion opportunities, including major internationally recognized firms.

The finance industry in Utah is vulnerable in the near term due to a housing downturn, which is slowing loan demand, tighter lending standards and deteriorating credit quality. Over the long term, strong population growth, a young and well-educated workforce and below-average business costs are predicted to help drive economic growth in Utah.

Community Contacts

Examiners conducted community contacts with two organizations in Ogden (Weber County) during this evaluation. The contacts indicate a strong need for loans, as small as \$25, 000 and up to \$400,000, to assist start-up and expanding businesses employing LMI individuals.

One contact also expressed a need for basic small business banking services for remote deposit and merchant accounts. Two other recent community contacts conducted for other financial institutions were reviewed from organizations in Utah and Salt Lake Counties. The contacts also stated that the primary credit needs of the area include financing for affordable housing and small businesses.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST: The institution is rated Satisfactory for this test.

COMBINED ASSESSMENT AREA REVIEW:

TAB has a satisfactory lending performance based on a review of commercial loans originated as of December 31, 2008. The following sections provide a detailed synopsis of the bank's lending performance.

Lending Within Its Assessment Area

A majority of TAB's lending related activities are outside of its assessment area because of the bank's nationwide lending activities. As depicted in Table 4, only 14 percent of the number of loans and 38 percent of the dollar of loans originated and held on the bank's books as of December 31, 2008, were within the bank's designated assessment area.

Table 4 - Distribution of Utah Loans Originated Inside and Outside of the Bank's Assessment Area										
Loan Type	Number of Loans					Dollars in Loans (000s)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Commercial Loan Sample	2,547	14	15,047	86	17,594	91,479	38	148,069	62	239,548

Source: Bank Records

The analysis of the remaining performance factors only considers loans made within the bank's assessment area.

Lending To Business of Different Sizes

The bank's lending to businesses of different sizes is reasonable. The bank does not formally monitor its lending to businesses or use gross annual revenues in its credit decisions. In order to analyze this lending test criterion, examiners used loan size as a proxy for the commercial gross annual revenues of businesses with revenues of \$1 million or less.

As shown in Table 5, 96 percent of the bank's loans were in amounts of less than \$100,000 with \$13,000 as the average size of the loan. The small dollar loans confirm that the bank is lending to smaller commercial businesses that may not have the revenues to support larger lending amounts.

Table 5 - Borrower Distribution of Small Business by Loan Size				
Loan Size (000s)	Bank Loans*			
	#	%	\$ (000s)	%
< \$100	2,450	96	30,996	34
\$100 - \$250	74	3	13,855	15
\$250 - \$1,000	15	1	7,444	8
> \$1,000	8	Nominal	38,979	43
Total	2,547	100	91,274	100

Sources: *Bank data as of December 31, 2008.

Lending To Businesses in Different Geographies

As Table 6 demonstrates, the bank's geographic distribution of its commercial loans within its assessment area is excellent, particularly with respect to penetration of LMI census tracts. The bank's lending percentages by number and dollar in both the LMI census tracts exceeds the percentage of small businesses located in LMI census tracts and D&B data regarding the businesses located in those areas.

Table 6 – Distribution of Commercial Loans Located in the Assessment Area by the Income Category of the Census Tract							
Income Level	Distribution of Census Tracts (%)	D&B Distribution of Businesses		Number of Loans (#)	% of #	Dollar Amount of Loans (\$)	% of \$
		Number	% of #				
Low	4	10,840	6	454	18	19,264	21
Moderate	20	31,816	19	747	29	43,391	48
Middle	49	76,580	45	984	39	22,783	25
Upper	27	52,408	30	362	14	5,836	6
NA	0	0	0	0	0	0	0
TOTALS	100	171,644	100	2,547	100	91,274	100

Sources: Bank loan data as of December 31, 2008, D&B data as of June 30, 2000, and 2000 U.S. Census.

Loan-To-Deposit Ratio

TAB's ANLTD ratio is more than reasonable given the bank's size, competitive forces, age, and assessment area credit needs. This ratio measures the relationship of funds deposited in the bank to funds loaned out and the extent to which the bank utilizes its deposit resources to extend credit. The ANLTD ratio for the 12 quarters since the November 2005 CRA Evaluation is 60 percent. However, if considering the full- scope of the bank's lending, examiners included the

bank's fleet tractor/trailer leasing program, which as an operating lease is reported as an "Other Asset" on the bank's Call Report. Examiners adjusted the ANLTD ratio by adding in the operating leases for the 12 quarters, which increases the ANLTD ratio to 100 percent, as shown in Table 7 below.

The bank has experienced significant growth since November 2005, with total asset growth of 87 percent, total loan growth of 124 percent, and total deposit growth of 91 percent. Brokered deposits have decreased since November 2005, from 80 percent of total deposits to 41 percent of total deposits. The decrease in the brokered deposits correlates with the decrease in the loan to deposit ratio, where customers paid down their loans after fuel prices decreased.

Examiners identified two similarly-situated institutions, in terms of asset size and located within the institution's assessment area. These institutions reported ANLTD ratios of 83 and 78 percent and had assets of \$738 million and \$713 million, respectively. TAB's ANLTD ratio exceeds the ANLTD ratios of both of these institutions, when considering operating leases as loans, thus supporting the more than reasonable rating.

Table 7 - ANALYSIS OF LOAN TO DEPOSIT RATIOS FOR TAB								
Call Report Quarter	12/05	3/06	6/06	9/06	12/06	3/07	6/07	9/07
Loan to Deposit %	53%	58%	62%	52%	53%	57%	65%	63%
Loan to Deposit % (Adjusted for operating leases)	92%	99%	101%	92%	98%	99%	106%	104%
ANALYSIS OF LOAN TO DEPOSIT RATIOS FOR TAB								
Call Report Quarter	12/07	3/08	6/08	9/08	ANLTD RATIO			
Loan to Deposit %	62%	65%	72%	62%	60%			
Loan to Deposit % (Adjusted for operating leases)	104%	104%	108%	91%	ANLTD RATIO 100%			

Source: Quarterly Call Report

Special Lending Products

To attract and retain new truck drivers, TAB collaborated with a large fleet carrier that hired newly trained drivers, by offering a low-cost tuition finance program. TAB has originated 435 driver tuition loans totaling \$1.2 million.

Response to Complaints

TAB has not received any complaints relating to its CRA performance.

CONCLUSIONS WITH RESPECT TO COMMUNITY DEVELOPMENT ACTIVITIES

COMMUNITY DEVELOPMENT TEST: The institution is rated Satisfactory for this test.

TAB's community development performance demonstrates adequate responsiveness to the community development needs of its assessment area through community development loans, qualified investments, and community development services. The community development activities reviewed during this evaluation assist in meeting the needs for affordable housing, revitalization, and stabilization of LMI areas and designated redevelopment areas, and financial education.

Performance in the CSA is weighted heaviest in this performance evaluation.

COMMUNITY DEVELOPMENT LENDING

TAB has provided an adequate level of community development loans when considering the bank's capacity and the need and availability of such opportunities within the defined assessment area. The bank participated in two affordable housing initiatives, which involved \$1.1 million in funded loans and \$1.7 million in committed loans over the review period. This equates to 0.18 percent and 0.27 percent, respectively, of the bank's total assets as of September 30, 2008.

The following are descriptions of the two affordable housing activities for the review period covering January 1, 2006, through December 31, 2008.

- TAB participated in a loan program with Ogden City that involves financing of mortgage loans to LMI individuals, and/or the financing of residential mortgages in LMI geographies, most of which are located in the Ogden City East Central Neighborhood Revitalization Area. TAB has funded 13 mortgage loans totaling \$979,000. The organization's goal is to revitalize specifically targeted neighborhoods of Ogden City for LMI families. They reach this goal by helping families buy homes, offering loans to fix up existing homes, building new homes, and tearing down abandoned buildings.
- TAB is a participant in a collaborative effort by 36 Utah financial institutions to expand access and improve reliability of credit to Utah's small market. This organization has become the primary source for private term involving low-income housing tax credit developers in Utah. As of June 12, 2008, the organization financed over 3,300 units of affordable rental housing; assisted 10 organizations in developing their first housing tax credit property and provided consistent financial service to Utah's affordable housing industry. As of June 12, 2008, TAB's commitment in the revolving loan pool is \$750,000 or 0.871 percent of the total loan pool. From December 2005 to December 2008, \$175,000 of the bank's commitment has funded \$16 million for 16 projects providing 443 units of affordable multi-family housing to LMI income residents throughout Utah.

Table 8 below summarizes the number and dollar volume of total community development loans.

Table 8 - Community Development Loans								
Community Development Purpose	2006		2007		2008		Total	
	#	\$ (000)	#	\$ (000)	#	\$ (000)	#	\$ (000)
Affordable housing for LMI individuals	5	\$530	5	\$284	3	\$165	13	\$979
Affordable rental housing for LMI individuals	3	\$18	5	\$31	8	\$126	16	\$175
Total – All in CSA	8	\$548	10	\$315	11	\$291	29	\$1,154
Balance of Commitment Dollars								\$575
Total Community Development Loans								\$1,729

Source: Bank Records

COMMUNITY DEVELOPMENT INVESTMENTS

TAB has provided a reasonable level of community development investments when considering the bank's capacity and the need and availability of such opportunities within the defined assessment area. Qualified investments total \$6.4 million and qualified donations total \$74,000 since the prior CRA Evaluation for a total of \$6.4 million. This equates to 1.01 percent of the bank's total assets as of September 30, 2008.

In evaluating qualified investments, examiners consider ongoing qualified community development investments and new investments made by the bank since the prior CRA evaluation. The bank had 3 ongoing qualified investments with outstanding balances totaling \$1.5 million, and 54 qualified donations totaling \$170,000, as of the date of the previous evaluation. The bank made 3 qualified investments totaling \$4.9 million, and 9 qualified donations totaling \$74,000, over the current review period. Based on the bank's resources, business strategies, and the opportunities available in the assessment area for qualified investments, this performance is considered reasonable.

Table 9 summarizes the number and dollar volume of total qualified investments and donations by type.

Table 9 - Community Development Qualified Investments and Donations		
Description	Number	Dollar Amount (000s)
Prior Qualified Investments Balance	3	\$1,500
Purchased Qualified Investments – Type: Affordable housing for LMI individuals		\$320 thousand in Provo-Orem \$6.1 million in CSA
2006	1	\$2,000
2007	0	\$0
2008	2	\$2,876
Total Purchased Qualified Investments	3	\$4,876
Total Qualified Investments Balance	6	\$6,376
Qualified Donations – Type: Community Services that benefit LMI individuals		All in CSA SLC/O-C
2006	5	\$38
2007	2	\$18
2008	2	\$18
Total Qualified Donations	9	\$74
Total Qualified Investments and Donations		\$6,450

Source: Bank Records

Qualified Investments

- The bank purchased shares in an investment fund with loans specifically allocated to:
 - Mortgage backed securities comprised of 15 mortgages to LMI borrowers within the State of Utah for \$1.45 million;
 - A Single Family Mortgage Program to provide financing for the purchase of housing by LMI borrowers within the State of Utah for \$371,000 and;
 - A Fannie Mae Loan Pool, underwritten under Fannie Mae's Multi-family Affordable Housing Program, for financing LMI multi-family housing units for \$575,000. The specific property is a low-income housing tax credit property that consists of 40 residential dwelling units. Five units are set aside for tenants with incomes at or below 28 percent of area MFI, 17 units are for tenants with incomes at or below 40 percent of the area's MFI, and 18 units are for tenants with incomes at or below 60 percent of the area's MFI.
- The bank purchased \$2.1 million in mortgage backed securities comprised of 12 mortgages to LMI borrowers in Salt Lake, Weber, and Davis Counties.

Qualified Donations

TAB donated to various community organizations, which serve community development purposes. These organizations include affordable housing, revitalization, and stabilization of LMI areas and designated redevelopment areas, and benefit LMI individuals. TAB extended nine donations totaling \$74,000 to 5 organizations located within the assessment area.

COMMUNITY DEVELOPMENT SERVICES

TAB has provided an adequate level of community development services when considering the bank's capacity and the need and availability of such opportunities within the defined assessment area. Bank staff has volunteered 1,096 hours in qualified community development activities on behalf of the bank utilizing their financial expertise. Examples of the bank's community development service activities include:

- Several members of management serve on the Board and committees of various organizations that benefit LMI individuals, affordable housing, and the economic development needs of the assessment area and the State of Utah.
- Members of bank staff have volunteered numerous hours to provide financial education through a local non-profit organization that benefits LMI elementary students.

Table 10 summarizes the number of employees and the hours of total community development services.

Table 10 - Community Development Services						
Community Development Services	2006		2007		2008	
	# Bank Staff	HOURS	# Bank Staff	HOURS	# Bank Staff	HOURS
Provided credit counseling, home-buyer and home-maintenance counseling, financial planning or other financial services education	31	310	4	40	44	440
Technical Assistance activities include: <ul style="list-style-type: none"> • Serving on a loan review committee • Developing loan application and underwriting standards • Developing loan processing systems • Developing secondary market vehicles or programs • Assisting in marketing financial services, including development of advertising and promotions, • Furnishing financial services training for staff and management • Contributing accounting/bookkeeping services • Assisting in fund raising, including soliciting or arranging investments 	4	102	2	54	3	150
Total Qualified Service Hours	35	412	6	94	47	590

Source: Bank Records

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:

CSA Assessment Area Review of Salt Lake City and Ogden-Clearfield MSAs

A full- scope review was performed of this assessment area because 86 percent of the number of loans and 94 percent of the dollar volume within the bank's assessment area is located inside of this portion of the bank's assessment area. As previously stated, the lending test analysis is not weighted as heavily because of the limited levels of lending within the bank's assessment area. The lending levels within this assessment area are considered satisfactory.

DESCRIPTION OF ASSESSMENT AREA

TAB has designated the largest portion of the CSA of Salt Lake City MSA and the Ogden-Clearfield MSA (CSA SLC/O-C). These MSAs are in the northern most area of the Wasatch Front and contain the largest portion of the population in the state. Table 11 provides demographic detail on these two MSAs.

Table 11 - Demographic Information for Full- Scope Area: SALT LAKE CITY MSA AND OGDEN-CLEARFIELD MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	298	3.02	20.81	49.33	26.85	0.00
Population by Geography	1,411,514	1.26	20.80	51.64	26.30	0.00
Owner-Occupied Housing by Geography	327,663	0.40	15.56	54.92	29.12	0.00
Business by Geography	147,526	6.80	20.11	43.60	29.50	0.00
MFI		54,452	Median Housing Value		161,496	
HUD Adjusted MFI for 2008		65,206	Unemployment Rate (2000 US Census)		2.40%	
Households Below Poverty Level		7%				

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2000 U.S. Census and 2008 HUD updated MFI

Economy

Principal industries in the Salt Lake City MSA include but are not limited to state and local government, limited-service eating place, full-service restaurants, management of companies and enterprises, and employment services. Moody's Economy.com indicates the largest employers in the Salt Lake City MSA, based on December 2008 data, include Intermountain Health Care Inc.; University of Utah; Huntsman Corporation, LLC; Tele-performance USA; Zions Bancorporation; and Convergys.

According to information gathered by D&B for the year 2007, there are 147,526 businesses located within the bank's designated assessment area. Services establishments comprise 31 percent of the total businesses. Other business types include: finance, insurance & real estate at 11 percent; retail trade at 10 percent, and construction at 9 percent.

Competitive Environment

There are a total of 65 banks with 381 offices or branches located in the assessment area. TAB ranks 38th in deposit market share, holding 0.22 percent of total deposits of \$220.1 billion.

Community Contact

Several community contacts were made throughout 2008 that targeted credit and other financial services and community needs within the assessment area. These were reviewed in conjunction with this evaluation. One community contact stressed the need for small business credit, start-up capital, and programs for individuals with poor credit histories due to divorce or illness. Although the contact revealed the need for banks to improve their performance in meeting these needs, the contact also stated that much of the need is a result of the current economic conditions. The contacts perceive that local banks have tightened credit standards due to the poor economy, thereby also decreasing the amount of credit offered to those with poor credit histories.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST: The institution is rated Satisfactory for this test.

As previously stated, the lending test analysis is not weighted as heavily because of the limited levels of lending within the bank's assessment area. The lending levels within this assessment area are considered satisfactory.

Lending To Business of Different Sizes

The bank's lending to businesses of different sizes is reasonable. The bank does not formally monitor or use gross annual revenues in its credit decisions. To analyze this lending test criterion, examiners used loan size as a proxy for the commercial gross annual revenues. Loan size is a proxy for the revenue size of businesses with revenues of \$1 million or less.

As shown in Table 12, 96 percent of the bank's loans were issued in amounts of less than \$100,000 with the average size of the loan at \$13,000. The small dollar loans confirm that the bank is lending to smaller commercial businesses that may not have the revenues to support larger lending amounts.

Table 12 - Borrower Distribution of Small Business by Loan Size				
Loan Size (000s)	Bank Loans*			
	#	%	\$ (000s)	%
< \$100	2,089	96	26,734	31
\$100 - \$250	69	3	12,805	15
\$250 - \$1,000	14	1	6,963	8
> \$1,000	8	Nominal	38,979	46
Total	2,180	100	85,481	100

Sources: *Bank data as of December 31, 2008.

Lending To Businesses in Different Geographies

As Table 13 demonstrates, the bank's geographic distribution of its commercial loans within its assessment area is excellent, particularly with respect to penetration of LMI census tracts. The bank's lending percentages by number and dollar in both the LMI census tracts exceeds the percentage of small businesses located in LMI census tracts and D&B data regarding the businesses located in those areas.

Table 13 – Distribution of Commercial Loans Located in the Assessment Area by the Income Category of the Census Tract							
Income Level	Distribution of Census Tracts (%)	D&B Distribution of Businesses		Number of Loans (#)	% of #	Dollar Amount of Loans (\$)	% of \$
		Number	% of #				
Low	3	9,569	7	452	21	19,248	22
Moderate	21	26,855	20	706	32	42,299	50
Middle	49	58,211	43	729	34	18,825	22
Upper	27	39,917	30	293	13	5,109	6
NA	0	0	0	0	0	0	0
TOTALS	100	134,552	100	2,180	100	85,481	100

Source: Bank loan data as of December 31, 2008; D&B, June 30, 2008; 2000 U.S. Census.

COMMUNITY DEVELOPMENT TEST: The institution is rated Satisfactory for this test.

TAB's community development performance depicts an adequate responsiveness to community development needs of its assessment area through community development loans, qualified investments, and community development services. The community development activities reviewed during this evaluation assist in meeting the needs for affordable housing, revitalization, and stabilization of LMI areas and designated redevelopment areas, and financial education.

Community Development Loans:

The bank has an adequate level of community development participation in this assessment area with 29 loans being funded for \$1.7 million since the prior evaluation. See Table 8 for more detailed information.

Community Development Qualified Investments:

The bank has an adequate level of participation in qualified investments in this portion of its assessment area. The bank has invested in 3 new qualified investments totaling \$4.6 million and carried over 3 investments totaling \$1.5 million from the prior evaluation, for a total of 6 investments at \$6.1 million. Additionally, donations of \$74,000 were provided during the evaluation period. See Table 9 for further details regarding the bank's investments.

Community Development Services:

The bank has an adequate level of community development services in this assessment area with over 1,000 hours provided to qualified community development organizations by bank employees. See Table 10 for further details.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE: *Combined Statistical Area Assessment Area Review of the Provo-Orem MSA*

A limited- scope review was performed for the Provo-Orem MSA because only 14 percent of the number of loans and 6 percent of the dollar volume of the loans inside of the bank's total assessment area were actually located in this portion of the assessment area. The lending performance in the Provo-Orem MSA is consistent with the bank's lending overall. Review of the community development performance in this MSA reveals that the community development performance is below the overall institution's performance; however, it does not change the rating for the bank.

DESCRIPTION OF ASSESSMENT AREA

The assessment area complies with the technical requirements of the regulation and does not arbitrarily exclude any LMI neighborhoods.

Demographics

Selected population and business demographics are detailed in Table 14 for this MSA.

Table 14 - Demographic Information for Limited Scope Area: PROVO-OREM MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	87	8.05	13.79	47.13	27.59	3.45
Population by Geography	376,774	8.86	14.60	48.47	27.91	0.15
Owner-Occupied Housing by Geography	68,756	1.40	10.97	54.53	33.10	0.00
Business by Geography	41,836	3.40	13.10	50.34	33.13	0.03
MFI HUD Adjusted MFI for 2008 Households Below Poverty Level		50,010 60,000 11%	Median Housing Value Unemployment Rate (2000 US Census)		153,007 2.24%	

Source: 2000 U.S. Census and 2008 HUD updated MFI

(*) The NA category consists of geographies that have not been assigned an income classification.

According to information obtained from D&B, 41,836 businesses are located in the Provo-Orem MSA. Approximately, 61 percent of these businesses reported gross annual revenues of \$1

million or less. As shown in Table 14, a majority of the businesses are located in middle- and upper-income census tracts.

Economy

There are two counties in the Provo-Orem MSA #39340. These counties are Utah and Juab and are located in North Central Utah, 44 miles south of Salt Lake City, at the foot of the Wasatch Mountain range. The county covers approximately 1,998 square miles, and is the state's second largest populated county, behind Salt Lake County. It encompasses the cities of Provo and Orem, and several smaller cities and residential communities including American Fork, Lehi, Pleasant Grove, Spanish Fork, Springville, Orem, Mapleton, Payson, and Saratoga Springs.

Currently, major employers include Brigham Young University; the Alpine, Provo, and Nebo School Districts; Utah Valley Regional Medical Center; Novell; and Utah Valley State College.

Community Contact

Two community contacts were made throughout 2008 that targeted credit and other financial services and community needs within the Provo-Orem MSA. The contacts were reviewed in conjunction with this evaluation. Due to the nature of TAB's operations, we focused on one community contact that reflected the commercial nature of the bank's loan portfolio. The contact stressed the need for improving credit availability. Overall, the contact felt that the local banks do an adequate job of meeting the credit needs of the community.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST:

Lending To Business of Different Sizes

The bank's lending to businesses of different sizes is reasonable. To analyze this lending test criterion, examiners used loan size as a proxy for the commercial gross annual revenues. As shown in Table 15, 98 percent of the bank's loans were issued in amounts of less than \$100,000 with \$12,000 as the average size of the loan. The small dollar loans confirm that the bank is lending to smaller commercial businesses that may not have the revenues to support larger lending amounts.

	#	%	\$ (000s)	%
< \$100	361	98	4,262	74
\$100 - \$250	2	2	1,030	18
\$250 - \$1,000	1	Nominal	481	8
Loan Size (000s)	Bank Loans*			

> \$1,000	0	0	0	0
Total	367	100	5,793	100

Sources: *Bank data as of December 31, 2008.

Lending To Businesses in Different Geographies

As Table 16 demonstrates, the bank's geographic distribution of commercial loans within its assessment area is reasonable, particularly with respect to the penetration of LMI census tracts. The bank's lending percentages by number and dollar in both the LMI income census tracts exceeds or is relatively equal to the percentage of small businesses located in moderate-income census tracts as well as D&B data regarding the businesses located in those areas. However, lending in the low-income areas is less than D&B and the census data.

Table 16 – Distribution of Commercial Loans Located in the Assessment Area by the Income Category of the Census Tract							
Income Level	Distribution of Census Tracts (%)	D&B Distribution of Businesses		Number of Loans (#)	% of #	Dollar Amount of Loans (\$)	% of \$
		Number	% of #				
Low	8	1,271	3	2	1	16	Nominal
Moderate	14	4,961	13	41	11	1,092	19
Middle	47	18,369	50	255	69	3,958	68
Upper	28	12,491	34	69	19	727	13
NA	3	12	Nominal	0	0	0	0
TOTALS	100	37,104	100	367	100	5,793	100

Source: Bank loan data as of December 31, 2008; D & B as of June 30, 2008 and 2000 U.S. Census Data.

COMMUNITY DEVELOPMENT TEST:

TAB's community development performance in this portion of the assessment area depicts a poor level of responsiveness to community development needs of its assessment area through community development loans, qualified investments, and community development services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for community development in the institution's assessment area. The community development activities reviewed during this evaluation assist in meeting the needs for affordable housing, revitalization, and stabilization of LMI areas and designated redevelopment areas, and financial education.

Community Development Loans:

The bank has no community development lending in this assessment area.

Community Development Qualified Investments:

The bank has \$320,000 in loans located within the Provo-Orem MSA contained within a Fannie Mae loan pool investment. There have been no donations in this portion of the assessment area.

Community Development Services:

No service hours were expended in this portion of the assessment area.

APPENDIX A - GENERAL DEFINITIONS

GEOGRAPHY TERMS

Block: Small areas bounded on all sides by visible features such as streets, roads, streams or railroad tracks, and invisible features like city or town boundaries or property lines. Blocks are subdivisions of census tracts or block numbering areas (BNA), and are assigned a unique three-digit number.

Block Group: Clusters of blocks within a census tract or BNA, having a four-digit number and a three-digit suffix. The four-digit number corresponds to the same number given to the census tract or BNA in which it is located.

Block Numbering Areas (BNAs): Statistical subdivisions of a county for grouping and numbering blocks in non-metropolitan counties where local census statistical area committees have not established census tracts. BNAs do not cross county lines.

Census Tract: Small subdivisions of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. They usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Metropolitan Area (MA): One or more large population centers and adjacent communities that have a high degree of economic and social integration. Each MA must contain either a place with a minimum population of 50,000 of Census Bureau-defined urbanized area and a total MA population of at least 100,000 (75,000 in New England). An MA comprises one or more central counties and may include one or more outlying counties that have close economic and social relationships with the central county. In New England, MAs are composed of cities and towns rather than whole counties.

Metropolitan Statistical Area (MSA): One or more metropolitan areas that have economic and social ties.

Primary Metropolitan Statistical Area (PMSA): A large urbanized county or cluster of counties that demonstrate very strong internal economic and social links, in addition to close ties to other portions of the larger area. If an area qualifies as an MA and has more than one million persons, PMSAs may be defined within it.

Consolidated Metropolitan Statistical Area (CMSA): The larger area of which PMSAs are component parts.

Non-Metropolitan Area: All areas outside of metropolitan areas. The definition of non-metropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies; for example, there is generally both urban and

rural territory within both metropolitan and non-metropolitan areas.

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in: places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin) but excluding the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.

Rural Area: Territories, populations and housing units that are not classified as urban.

HOUSING TERMS

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family which is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

INCOME TERMS

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide non-metropolitan median family income, if a person or geography is located outside an MSA.

Family Income: Includes the income of all members of a family that are age 15 and older.

Household Income: Includes the income of the householder and all other persons that are age 15 and older in the household, whether related to the householder or not. Because many households consist of only one person, median household income is usually less than median family income.

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of geography.

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of geography.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of geography.

Upper-Income: Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent in the case of geography.

HUD Adjusted Income Data: The U.S. Department of Housing and Urban Development (HUD) issues annual estimates, which update median family income from the metropolitan and non-metropolitan areas. HUD starts with the most recent U.S. Census data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

OTHER TERMS

Home Mortgage Disclosure Loan Application Register (HMDA LAR): The HMDA LARs record all applications received for residential purchase, refinance, home improvement and temporary-to-permanent construction loans.

Small Business Loan: A loan included in “loans to small businesses” as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: A loan included in “loans to small farms” as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

APPENDIX B - INVESTMENT DEFINITIONS

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. The equity investments are subject to limits specified by the bank's regulator. Bank CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community as well as to the financial and marketing needs of the bank. A CDC may purchase, own, rehabilitate, construct, manage and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization. Any real estate ownership should generally be temporary, with ownership reverting to members or organizations in the community.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. They procure loans and investments that conventional financial institutions are unable to invest in, and they link financing to other developmental activities. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. CDFIs share a common mission and can be chartered as a credit union or bank. CDFIs can also be unregulated nonprofit institutions that gather private capital from a range of social investors for community development lending or investing. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, microenterprise funds, and community development venture capital funds. A certified CDFI must meet eligibility requirements, which include: having a primary mission of promoting community development; serving an investment area or target population; providing development services; maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means; and not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Low Income Housing Tax Credits: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended, which is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department, through the Internal Revenue Service, distributes low-income housing tax credits to housing credit agencies. The housing agencies allocate tax credits on a competitive basis. Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits or sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains in place throughout the compliance period, usually 30 years.

Qualified Investments: A qualified investment is defined as any lawful investment, deposit,

membership share, or grant that has as its primary purpose community development to support the following endeavors: 1) affordable housing; 2) community services targeting low- and moderate-income individuals; 3) activities that promote economic development by financing small farms and small businesses; and 4) activities that revitalize or stabilize low- and moderate-income geographies.